GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:248
ANSWERED ON:05.12.2002
HIGH VOLTAGE TRANSMISSION BY PGCIL
CHANDRA BHUSHAN SINGH

Will the Minister of POWER be pleased to state:

(a) whether the government are considering/developing high voltage transmission net work through the Power Grid Corporation of India Limited;

(b) if so, the details thereof;

(c) whether the concept of power generation in the private sector did not come up to the desired level in the country; and

(d) if so, the reasons therefor and the steps taken by the Government to overcome this problem?

Answer

THE MINISTER OF POWER (SHRI ANANT G. GEETE)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 248 TO BE ANSWERED IN TH LOK SABHA ON 05.12.2002 REGARDING HIGH VOLTAGE TRANSMISSION BY PGCIL.

(a) & (b) : A plan has been chalked out to integrate all the regions in the country by creating a `National Grid` through HVDC stations/bi-pole and 765 KV AC links in aphased manner to facilitate transfer of power between the regions without any constraint. For further strengthening of the grid system, high capacity long HVDC links as well asAC links have been planned by Power Grid Corporation of India Ltd. to becommissioned along with Mega Projects. In the ultimate phase, a strong synchronous National Power Transmission Grid has been envisaged to evacuate the power from major generating resources. This would involve development of a high capacity 400 KV transmission corridor connecting the North-East through the `chicken-neck` area (to Siliguri) and establishment of a ring of 765 KV lines interconnecting Eastern, Westernand Northern Regions. The Southern Grid would be linked to the Eastern & Western Grids through strong 400 KV HVDC links at various places such as Jeypore-Gajuwakaand Talcher-Kolar, Chandrapur-Ramagundam. Inter-regional transmission capacity of the proposed National Grid would increase to about 30,000 MW by 2011-12.

(c) & (d) : Adequate domestic/foreign investment in generation has not fructified in the power sector due to various factors, primary among which is the poor financial health of most of the State Electricity Boards (SEBs) who do not have the financial capability to support a large number of projects in terms of regular payment of bills of electricity purchased by them from Independent Power Producers (IPPs).The poor financial health of the State Electricity Boards and the insistence by lenders on strong payment security packages has been the main problem in the private power projects achieving financial closure. The other impediments to the speedy development of private sector power projects include delays in finalization of various contracts, litigation in Courts, increase in the prices of liquid fuels, etc. With a view to finding a resolution to this problem and to simplify/decentralize the procedure for clearance of private power projects and to attract more investment in the power sector, the Government has already initiated several measures which include:

- reforms and restructuring of the power sector
- signing of memoranda of agreements with States committing for reforms
- one time settlement of the outstanding dues of State Electricity Boards
- the Electricity Regulatory Commissions Act, 1998 has been enacted which enabled setting up of the Central Electricity Regulatory Commission and the State Electricity Regulatory Commissions. Twenty one States have constituted or notified Regulatory Commissions

- formulation of model Power Purchase Agreement (PPAs) and Fuel Supply Agreement (FSAs) with the help of International consultants for guidance of SEBs

- minimizing the number of clearances required to be obtained for the purpose of appraisal of the private power projects by Central Electricity Authority (CEA)

- raising the limits for power projects which require the clearance from CEA

- exploring Alternative Security Mechanisms for financing power projects in the private sector.